

## Briefing for Overview and Scrutiny

Topic: Information on economy building, focusing on the support available to businesses during the pandemic and plans for ongoing and future support/plans.

### Content

#### National Support

Furlough – not a locally administered scheme, but ca 41,000 people were furloughed in Nottingham, and worth a significant amount to businesses. Also SEISS (Self employed income support scheme) available, although even government recognises that it probably only captures half of the self employed.

Loan Schemes – administered by both government and via private banks and the British Business Bank. Includes Bounce Back Loan scheme and CBILS (Coronavirus Business Interruption Loan Scheme)

Vat reductions/delayed payments

Kick start scheme – long term unemployed in to work. A DWP scheme, partly being delivered locally by Nottingham Jobs – enables a business to hire at no cost, staff for 24 hours a week at minimum wage for 6 months.

#### Local Schemes delivered by NCC, funded by government

April – Rate discount to zero for retail, leisure and hospitality for 2020/21. Worth £65m.

Automatically applied to bills

April – Initial Business Support Grants gave £54.135m to over 4539 businesses via the rates team

June – Nottingham Small Business Fund gave £3.348m to ca 578 businesses not covered via the rates scheme

Nov – COVID business grants covering Tier 2, Tier 3, Lockdown and then new Tier 3. £14m (TBC and subject to any new Tier funding) being delivered now. Goal will be to pay all of the eligible 2,600 businesses who applied.

Dec onwards – Tier 3 funding for eligible businesses. Paid automatically based on November applicants information.

D2N2 Growth Hub delivered scheme £1m fund for region, worth ca £200k to ca 100 Nottingham eligible businesses. Administered by Growth Hub which sits within Nottingham City Council.

#### Processing and applications

Most of the Nottingham delivered schemes, tied to rateable value, were administered by the rates team within finance, with support from Economic Development. The schemes were created using online application systems (Firmstep) where the applicant fills in an easy to use online form.

This has created in all instances a large number of applications, and a need to then process the applications quickly to get money out to businesses. And in teams with limited resources. Extra resources (staff) have been re-assigned in each case from elsewhere in the council to support (Economic development but more widely as well).

#### Other Factors

1. The government schemes in the whole were support that was needed by businesses and appreciated (especially furlough). But inevitably, businesses have asked for more cash and

more support. We are bound by the guidance given to us by government, and that has meant sometimes businesses feeling that we are not being generous enough or holding back. That has never been the case.

2. Complex schemes with seemingly unfair rules. Most acute in the current grant scheme, where there are 6 different available grants covering 16 days of Tier 2, 6 days of Tier 3, 27 days of lockdown, and then a new Tier 3. All with different grants depending on whether you are open or closed. We have made this one application process, but it can result in seeming inconsistencies for businesses. A beauty salon gets more money because they were forced to close. A hair dresser gets less, as they could still open, even if they also did beauty treatments.
3. Fraud and bank checks. With 1000s of businesses and the known existence of fraudulent claims across the UK for various schemes, we had several check steps to avoid fraud.
  - a. Bank check via government Spotlight and Experian credit and bank checks
  - b. Duplicate payment checks both within scheme and across schemes
  - c. Clear separation of approvals for schemes – grant assessors not the authorisers of the payments, and finance and banking team the final teams who made the payments
4. Duplicate payments, appeals and discrepancies. With schemes so large there will have been times where we made errors. These were done in good faith, and sometimes under time pressure. Post checks have enabled us to recover duplicate payments. Appeals on the original grant schemes were all dealt with during the process. We expect further appeals based on the current and any future schemes.

#### General Business Support

1. Nottingham benefits from a specific team within the D2N2 Growth Hub based in Nottingham (4 business advisors) and additionally 3 retail focused business advisors (City Centre Management team). These staff (part of economic development) are critical to the face to face support that many businesses need during difficult times.
2. There are many other support agencies in the city supporting businesses, that we work with, including
  - a. Creative Quarter – support for Creative and Digital Businesses
  - b. Medilink – support for Life Science Businesses
  - c. NBV – support for new and start up businesses
  - d. University of Nottingham/Nottingham Trent University who provide students and access to research support for businesses
  - e. Food and Drink Federation – which supports the food sector
  - f. Nottingham Business Improvement District (BID) which supports city centre retail, leisure and hospitality businesses.
  - g. Marketing Nottingham – which support visit economy businesses and businesses looking to expand or invest in the city.

#### Future Grant Schemes

We receive regular briefings from government on the various new grant schemes (eg £1000 grant for wet led pubs). And have to build in new systems and resource to deliver. Simple centrally delivered schemes (furlough) are easy for businesses, but also more expensive in total costs to government. Locally administered schemes have the benefit of targeting locally, but also create resource pressures and sometimes are for the schemes with the lowest level of funding per business, and we have to be able to manage that issue with businesses.

#### Recovery Planning

The Nottingham Growth Board (with representatives from businesses, the Council and stakeholders across the city) has developed a Covid Recovery Plan (currently out for consultation) with 6 key strands for recovery:

1. A re-imagined city centre with a focus on Broadmarsh options
2. Creativity and Culture – working with The Nottingham Project
3. Low Carbon Nottingham – consistent with our carbon zero ambitions
4. Digital innovation – infrastructure, skills and business support
5. Innovation and Entrepreneurship – supporting growth sectors including Life Sciences, Financial Technology, Green Tech, Music/Creativity
6. Skills – ensuring our education providers are helping people to re-skill for the jobs of the future

Robert Dixon  
Head of Business Growth  
16<sup>th</sup> December 2020